



Order Filed on November 30, 2022
by Clerk
U.S. Bankruptcy Court
District of New Jersey

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

**Caption in Compliance with D.N.J. LBR 9004-1(b)
COLE SCHOTZ P.C.**

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Proposed Attorneys for Debtors and Debtors in Possession

In re:

BLOCKFI INC., *et al.*,

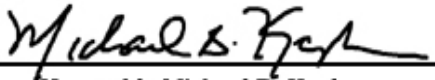
Debtors.¹

Chapter 11
22-19361 (MBK)
(Joint Administration Requested)
Hearing Date and Time:

**INTERIM ORDER GRANTING DEBTORS' MOTION FOR ENTRY OF INTERIM AND FINAL
ORDERS (I) AUTHORIZING THE DEBTORS TO PAY OR HONOR PREPETITION
OBLIGATIONS TO CERTAIN CLAIMANTS AND (II) GRANTING RELATED RELIEF**

The relief set forth on the following pages, numbered two (2) through seven (7) is hereby **ORDERED**.

DATED: November 30, 2022


Honorable Michael B. Kaplan
United States Bankruptcy Judge

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BlockFi Inc. (0015); BlockFi Trading LLC (2487); BlockFi Lending LLC (5017); BlockFi Wallet LLC (3231); BlockFi Ventures LLC (9937); BlockFi International Ltd. (N/A); BlockFi Investment Products LLC (2422); BlockFi Services, Inc. (5965) and BlockFi Lending II LLC (0154). The location of the Debtors' service address is 201 Montgomery Street, Suite 263, Jersey City, NJ 07302.

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Debtors: BLOCKFI, INC., *et al.*

Case No. 22-19361 (MBK)

Caption of Order: INTERIM ORDER (I) AUTHORIZING DEBTORS TO PAY OR HONOR
PREPETITION OBLIGATIONS TO CERTAIN CLAIMANTS AND
(II) GRANTING RELATED RELIEF

Upon the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Pay or Honor Prepetition Obligations to Certain Claimants and (II) Granting Related Relief* (the "Motion")²; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 157 and Standing Order 12-1 (Simandle, C.J.), *Standing Order of Reference to the Bankruptcy Court Under Title 11*, dated September 18, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing (the "Hearing") on the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon the *Declaration of Mark Renzi in Support of the Debtors' Chapter 11 Petitions and First Day Motions* filed contemporaneously with the Motion, the record of the Hearing, and all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is **GRANTED** as set forth herein on an interim basis.
2. The Debtors are hereby authorized, but not directed, in the exercise of their business judgment, to pay up to \$1,107,580 in satisfaction of Prepetition Obligations during the Interim Period on account of the Claimants and are authorized to pay all undisputed amounts related to

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

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Case No. 22-19361 (MBK)

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any postpetition goods or services in the ordinary course of business consistent with the parties' customary practices.

3. The final hearing (the "Final Hearing") on the Motion shall be held on **January 9, 2023 at 10:00a.m. (ET)** (the "Hearing Date") in the United States Bankruptcy Court for the District of New Jersey. Any objections or responses to entry of a final order on the Motion shall be filed on or before seven (7) days before the Hearing Date, with a copy to chambers, and served on the proposed Debtors' counsel and the Master Service List. In the event no objections to entry of a final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

4. Any Claimant that accepts payment from the Debtors on account of a Prepetition Obligation shall be deemed to have agreed to the terms and provisions of this Interim Order.

5. The Debtors are authorized, but not directed, to condition payment to the Claimants upon the execution of an agreement, and the Debtors are authorized, but not directed, to enter into such agreements when and if the Debtors determine, in the exercise of their reasonable business judgment, that it is appropriate to do so.

6. The Debtors are authorized, but not directed, to pay the Prepetition Obligations in the event that no agreement has been executed if the Debtors determine, in their business judgment, that a formal agreement is unnecessary to ensure a Claimant's continued performance on Customary Trade Terms.

7. If any Claimant accepts payment hereunder and does not continue supplying goods or services to the Debtors in accordance with Customary Trade Terms, then: (a) any payment on

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account of a prepetition claim received by such Claimant shall be deemed, in the Debtors' discretion, an improper prepetition transfer and, therefore, immediately recoverable by the Debtors in cash upon written request by the Debtors; (b) upon recovery by the Debtors, any prepetition claim of such Claimant shall be reinstated as if the payment had not been made; and (c) if there exists an outstanding postpetition balance due from the Debtors to such Claimant, the Debtors may elect to recharacterize and apply any payment made pursuant to the relief requested by the Motion to such outstanding postpetition balance and such Claimant will be required to repay to the Debtors such paid amounts that exceed the postpetition obligations then-outstanding without the right of any setoffs, claims, provisions for payments of any claims, or otherwise.

8. Any Claimant that accepts payment from the Debtors on account of all or a portion of a Prepetition Obligation pursuant to this Interim Order shall be deemed to (a) agree to the terms and provisions of this Order and (b) have waived, to the extent so paid, any and all prepetition claims, of any type, kind, or priority (including any reclamation claim), against the Debtors, their assets, and properties.

9. Nothing in this Interim Order or the agreement shall impair or prejudice the Debtors' ability to contest, in their discretion, the extent, perfection, priority, validity, or amounts of any claims held by any Claimant, or a waiver of the Debtors' rights to subsequently dispute such claim or the assumption or adoption of any agreement, contract or lease under Bankruptcy Code § 365.

10. Nothing in this Interim Order or any agreement shall be declared a waiver of any other cause of action, including avoidance actions that may be held by the Debtors.

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11. The banks and financial institutions on which checks were drawn (or were to be drawn), credit card payments made (or were to be made), or electronic payment requests were made (or were to be made) in payment of the Prepetition Obligations approved herein are authorized and directed to receive, process, honor and pay all such checks, credit card payments, and electronic payment requests when presented for payment, solely to the extent the Debtors have sufficient funds standing to their credit with such bank or financial institution, and all such banks and financial institutions are authorized and directed to rely on the Debtors' designation of any particular check or electronic payment request as being approved by this Interim Order.

12. The Debtors shall maintain a matrix/schedule of amounts directly or indirectly paid, subject to the terms and conditions of this Order including the following information: (a) the names of the payee; (b) the amount of the payment; (c) the category or type of payment; and (d) the payment due. The Debtors shall provide a copy of such matrix/schedule to the U.S. Trustee, and any statutory committee appointed in these chapter 11 cases every thirty (30) days beginning upon entry of this Order.

13. Nothing herein shall impair or prejudice the rights of the U.S. Trustee and the statutory committee appointed in these chapter 11 cases, which are expressly reserved, to object to any payment made pursuant to this Order to an insider (as such term is defined in section 101(31) of the Bankruptcy Code), or an affiliate of an insider to the Debtors. To the extent the Debtors intend to make a payment to an insider or an affiliate of an insider of the Debtors, the Debtors shall to the extent reasonably practicable, provide three (3) business days' advance notice to, and opportunity to object by, the U.S. Trustee and any statutory committee appointed in these chapter

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Debtors: BLOCKFI, INC., *et al.*

Case No. 22-19361 (MBK)

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11 cases; provided that if any party objects to the payment, the Debtors shall not make such payment without further order of the Court.

14. Notwithstanding anything to the contrary in the Motion, this Order, or any findings announced at the hearing, nothing in the Motion, this Order, or announced at the hearing constitutes a finding under the federal securities laws as to whether crypto tokens or transactions involving crypto tokens are securities, and the right of the United States Securities and Exchange Commission to challenge transactions involving crypto tokens on any basis are expressly reserved

15. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the contents of the Motion or otherwise deemed waived.

16. The Debtors are authorized to take all actions necessary to effect the relief granted pursuant to this Interim Order in accordance with the Motion.

17. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Interim Order shall be effective and enforceable immediately upon entry hereof.

18. This Interim Order is effective only from the date of entry through this Court's disposition of the Motion on a final basis; provided that the Court's ultimate disposition of the Motion on a final basis shall not impair or otherwise affect any action taken pursuant to this Interim Order.

17. Any party may move for modification of this Interim Order in accordance with D.N.J. LBR 9013-5(e).

18. A true copy of this Interim Order shall be served on all required parties pursuant to D.N.J. LBR 9013-5(f).

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Debtors: BLOCKFI, INC., *et al.*

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(II) GRANTING RELATED RELIEF

19. This Court shall retain jurisdiction to hear and determine all matters arising from
or related to the implementation, interpretation, and/or enforcement of this Order.

In re:
BlockFi Inc.
Debtor

Case No. 22-19361-MBK
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0312-3
Date Rcvd: Nov 30, 2022

User: admin
Form ID: pdf903

Page 1 of 2
Total Noticed: 1

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Dec 02, 2022:

Recip ID	Recipient Name and Address
db	+ BlockFi Inc., 201 Montgomery Street, Suite 263, Jersey City, NJ 07302-5057

TOTAL: 1

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.
Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI).

NONE

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

NONE

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Dec 02, 2022

Signature: /s/Gustava Winters

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on November 30, 2022 at the address(es) listed below:

Name	Email Address
Barbra Rachel Parlin	on behalf of Creditor Silvergate Bank barbra.parlin@hklaw.com elvin.ramos@hklaw.com;glenn.huzinec@hklaw.com,HAPI@HKLAW.COM;hapi@hklaw.com;jjalemany@hklaw.com;vincent.foley@hklaw.com
Jeffrey M. Sponder	on behalf of U.S. Trustee U.S. Trustee jeffrey.m.sponder@usdoj.gov jeffrey.m.sponder@usdoj.gov
Lauren Bielskie	on behalf of U.S. Trustee U.S. Trustee lauren.bielskie@usdoj.gov
Michael D. Sirota	on behalf of Plaintiff BlockFi Inc. msirota@coleschotz.com fpisano@coleschotz.com
Michael D. Sirota	on behalf of Debtor BlockFi Inc. msirota@coleschotz.com fpisano@coleschotz.com

District/off: 0312-3

User: admin

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Date Rcvd: Nov 30, 2022

Form ID: pdf903

Total Noticed: 1

Michael D. Sirota	on behalf of Debtor BlockFi Services Inc. msirota@coleschotz.com, fpisano@coleschotz.com
Michael D. Sirota	on behalf of Debtor BlockFi Trading LLC msirota@coleschotz.com fpisano@coleschotz.com
Michael D. Sirota	on behalf of Debtor BlockFi Lending II LLC msirota@coleschotz.com fpisano@coleschotz.com
Michael D. Sirota	on behalf of Plaintiff BlockFi International Ltd. msirota@coleschotz.com fpisano@coleschotz.com
Michael D. Sirota	on behalf of Debtor BlockFi Ventures LLC msirota@coleschotz.com fpisano@coleschotz.com
Michael D. Sirota	on behalf of Debtor BlockFi Investment Products LLC msirota@coleschotz.com fpisano@coleschotz.com
Michael D. Sirota	on behalf of Debtor BlockFi International Ltd. msirota@coleschotz.com fpisano@coleschotz.com
Michael D. Sirota	on behalf of Debtor BlockFi Wallet LLC msirota@coleschotz.com fpisano@coleschotz.com
Michael D. Sirota	on behalf of Debtor BlockFi Lending LLC msirota@coleschotz.com fpisano@coleschotz.com
Michael D. Sirota	on behalf of Plaintiff BlockFi Lending LLC msirota@coleschotz.com fpisano@coleschotz.com
Richard Kanowitz	on behalf of Plaintiff BlockFi International Ltd. richard.kanowitz@haynesboone.com mklein@cooley.com;jindyke@cooley.com;efiling-notice@ecf.pacerpro.com
Richard Kanowitz	on behalf of Plaintiff BlockFi Lending LLC richard.kanowitz@haynesboone.com mklein@cooley.com;jindyke@cooley.com;efiling-notice@ecf.pacerpro.com
Richard Kanowitz	on behalf of Debtor BlockFi Inc. richard.kanowitz@haynesboone.com mklein@cooley.com;jindyke@cooley.com;efiling-notice@ecf.pacerpro.com
Richard Kanowitz	on behalf of Plaintiff BlockFi Inc. richard.kanowitz@haynesboone.com mklein@cooley.com;jindyke@cooley.com;efiling-notice@ecf.pacerpro.com
U.S. Trustee	USTPRegion03.NE.ECF@usdoj.gov
Warren A. Usatine	on behalf of Debtor BlockFi Inc. wusatine@coleschotz.com fpisano@coleschotz.com
TOTAL: 21	